



## NORTH CAROLINA REAL ESTATE COMMISSION

# Real Estate Bulletin

Volume 29

Fall 1998

Number 3

## Hill elected to ARELLO Board of Directors



**Mona S. Hill**

The Association of Real Estate License Law Officials (ARELLO) has elected North Carolina Real Estate Commission Chairman Mona S. Hill of Pinehurst as a Director of ARELLO's Southern District.

In addition to North and South Carolina, the Southern District includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Tennessee, Texas, Virginia and West Virginia, as well as the Virgin Islands.

The election was held at ARELLO's Annual Conference in September.

Mrs. Hill was appointed to the Commission by Governor Hunt in 1994. She was reappointed last year for a three-year term which will expire July 31, 2000.

Also at the Annual Conference, Commission Executive Director Phillip T. Fisher served as Master of Ceremonies at the Awards Ceremony. Mary Frances Whitley, the Commission's Director of Administration, was in charge of the Orientation Session for new Commission members and administrators. □

## Commission sponsors Occupational Licensing Seminar



**Attendees listen to thought-provoking lectures at the day-long seminar.**

Representatives of 35 North Carolina occupational and professional licensing boards attended a seminar in Raleigh on August 26. Attendees at the Occupational Licensing Seminar, which was sponsored by the Real Estate Commission, included more than 150 board members, administrators and attorneys.

The one-day program featured presentations on a variety of subjects of special interest to licensing

officials. Katherine White, Director of the North Carolina Board of Ethics, and Dr. Deborah H. Long spoke on "Ethical Decision-Making Skills for State Officials." Gerry Fisher and Segal Howell from the Office of State Personnel addressed personnel issues.

Attorney Noel Allen discussed legal challenges for regulating Internet practice. Bobbie Furr, CPA, reviewed financial matters. And William Booth suggested ways to improve security at board offices.

Real Estate Commission attorneys Tom Miller and Miriam Baer, and Director of Administration Fran Whitley also participated in the program which was planned and coordinated by Executive Director Fisher. ■

## Governor reappoints two members to the Real Estate Commission

Governor Hunt has reappointed Sang J. Hamilton, Sr., of Winton and Billie J. Mercer of Wilson to the Real Estate Commission for three-year terms which will expire July 31, 2001.

A public member, Mr. Hamilton is a Production Engineer at Newport News Shipbuilding in Newport

News, Virginia. Mr. Hamilton was first appointed to the Commission by the Governor in 1995.

Mrs. Mercer also was appointed to the Commission in 1995. Currently serving as Vice-Chairman of the Commission, Mrs. Mercer is broker/owner of Billie Mercer Realty, Inc. in Wilson. □

## REAL ESTATE BULLETIN

Published quarterly as a service to real estate licensees to promote a better understanding of the Real Estate License Law and Commission Rules, and proficiency in real estate practice. The articles published herein shall not be reprinted or reproduced in any other publication without specific reference being made to their original publication in the North Carolina Real Estate Commission Real Estate Bulletin.

### NORTH CAROLINA REAL ESTATE COMMISSION

1313 Navaho Drive  
P.O. Box 17100  
Raleigh, North Carolina 27619 - 7100  
Phone 919/875-3700  
James B. Hunt, Jr., Governor

### COMMISSION MEMBERS

Mona S. Hill ..... Pinehurst  
Chairman  
Billie J. Mercer ..... Wilson  
Vice-Chairman  
Raymond A. Bass, Jr. .... Fayetteville  
John D. Bridgeman ..... Gastonia  
Sang J. Hamilton, Sr. .... Winton  
Wanda J. Proffitt ..... Burnsville  
Lanny T. Wilson ..... Wilmington

Phillip T. Fisher  
Executive Director

### ADMINISTRATION

Mary Frances Whitley ..... Director  
Paula L. Lassiter ..... Financial Officer  
Vickie R. Crouse ... Data Proc. Administrator  
Carrie D. Worthington ... Publications Officer

### AUDITS & INVESTIGATIONS

Emmet R. Wood ..... Director  
Jennifer K. Boger .... Sr. Auditor/Investigator  
Stephen L. Fussell ..... Auditor/Investigator  
Michael B. Gray ..... Auditor/Investigator  
Elizabeth M. Redeker ... Auditor/Investigator  
Brian G. Thomas ..... Auditor/Investigator  
Rebecca S. Wilkins ..... Auditor/Investigator  
Evelyn G. Johnston ..... Compliance Officer

### EDUCATION & LICENSING

Larry A. Outlaw ..... Director  
Anita R. Burt ..... Ed./Exam. Officer  
Pamela R. Milligan ..... Cont. Ed. Officer  
Ginger L. Schultz-Lamitie.....Licensing/Ed. Officer

### LEGAL SERVICES

Thomas R. Miller ..... Lgl. Counsel, Director  
Spec. Dep. Attorney General  
Miriam J. Baer ..... Assistant Director  
Blackwell M. Brogden, Jr. .... Chief Dep. Lgl.  
Counsel  
Janet B. Thoren ..... Dep. Lgl. Counsel  
Robin F. Oliver ..... Cons. Prot. Officer  
Joan H. Floyd ..... Cons. Prot. Officer  
Julie S. Egan ..... Information Officer

Editor - in - Chief

Phillip T. Fisher

Editor

Carrie D. Worthington

## Commission Staff Update



**Vicki J. Brooker**

**Vicki J. Brooker** has been employed as the Commission's Receptionist. Born in Indiana, Vicki moved to Arizona at an early age. She moved to Raleigh from Hawaii, where she had lived for 13 years. Vickie attended Oklahoma University. Prior to employment with the Commission, Vicki worked as an Office Manager/Receptionist.

Consumer Protection Officer **Stephen L. Fussell** has transferred to the Audits and Investigations Division as an Auditor/Investigator, filling a position recently vacated by **Jarrod Williams**. A graduate of UNC - Chapel Hill, Steve completed additional studies at N.C. State University in Raleigh. A licensed real estate broker, Steve was associated with a real estate firm in Raleigh prior to joining the Commission's Legal Services staff in 1991.

(continued on page 3)

### REAL ESTATE COMMISSION PUBLICATIONS ORDER FORM

	No. Copies Requested
<i>Res. Property Disclosure Statement</i> (Please limit request to one copy.)	_____
<i>Questions and Answers on: Tenant Security Deposits</i>	_____
<i>Questions and Answers on: Fair Housing</i>	_____
<i>Questions and Answers on: Condos and Townhouses</i>	_____
<i>Questions and Answers on: Who Agents Represent</i>	_____
<i>Questions and Answers on: Purchasing Coastal Real Estate in North Carolina</i>	_____
<i>Questions and Answers on: Renting Residential Real Estate</i>	_____

( )  
Name \_\_\_\_\_ Phone Number (Including Area Code) \_\_\_\_\_  
Street Address (NOT P.O. BOX) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### Instructions

1. You may request single copies of these free publications by returning this Order Form or calling the Commission office (919) 875-3700, menu option 3.
2. To order multiple copies of these publications, please complete this Order Form and return it to the N.C. Real Estate Commission, P.O. Box 17100, Raleigh, N.C. 27619-7100. Attention: Publications.
3. Please allow two weeks for delivery.
4. Please understand that orders of more than 50 copies require special consideration.
5. The Residential Property Disclosure Statement may be duplicated as needed.
6. Space has been provided on the *Questions and Answers* brochures if you wish to add your company name.

# Commission Staff Update

(continued from page 2)



**Elizabeth M. Redeker** has been employed as an Auditor/Investigator to fill another vacancy in the Audits and Investigations Division. A native of Virginia, Liz has lived in Hubert, North Carolina, for the past nine years. Before relocating to North Carolina, she lived in California and Saudi Arabia.

Liz has a B.S. degree in Business Administration - Accountancy from California State University - Sacramento. A licensed real estate broker in this state, Liz is a Certified Public Accountant in Virginia. Before joining the Commission staff, Liz worked as a tax accountant for 13 years.



**Brian G. Thomas** also joins the Audits and Investigations Division as an Auditor/Investigator. Brian comes to the Commission from Oil City, Pennsylvania. A graduate of Clarion University of Pennsylvania, he has degrees in Accounting and Computer Science.

A former Auditor for the State of Pennsylvania, Brian investigated

Workmen's Compensation disputes and checked payroll records prior to his employment with the Commission.



**Janet B. Thoren**, the Commission's Associate Legal Counsel, has been promoted to Deputy Legal Counsel, a position recently vacated by Marilyn Tomei.

Janet graduated cum laude from Pembroke State University and received a law degree from UNC-Chapel Hill in 1988. She worked for a law firm in

Hillsborough for 8½ years, concentrating in the area of residential real estate, before joining the Commission's Legal Services Division in 1997.

△△△△△△△

The following Commission staff members have made appearances before various real estate industry and related groups since the last issue of the *Bulletin*. **Emmet R. Wood**, the Commission's Director of Audits and Investigations, discussed the proper maintenance of trust monies and trust accounts when he spoke at a meeting of the Burlington-Alamance County Association of

(continued on page 5)

## REGISTRATION FORM

for

### BASIC TRUST ACCOUNT PROCEDURES COURSE MONTHLY - RALEIGH

Four (4) hours continuing education elective credit will be awarded for completion of the course. The course will begin at 1:00 p.m. and end at 5:00 p.m.

The course is intended for brokers and trust account bookkeepers. Salesmen will be admitted on a space available basis. Each session is limited to 40 participants, scheduled according to date received.

Complete this form (*make copies for additional persons*) and mail with a check for \$35 tuition fee to be received by the Commission no later than 7 working days prior to date of preferred session. **Walk-ins will be accepted on a space available basis only.**

- |   |   |                                     |
|---|---|-------------------------------------|
| <input type="checkbox"/> December 8, 1998 | <input type="checkbox"/> January 12, 1999 | <input type="checkbox"/> February 2 |
| * March                                   | <input type="checkbox"/> April 6          | <input type="checkbox"/> May 4      |
| <input type="checkbox"/> June 1           | <input type="checkbox"/> July 6           | <input type="checkbox"/> August 3   |

Name \_\_\_\_\_ Phone \_\_\_\_\_  
(Daytime)

Address \_\_\_\_\_  
(Street, P.O.Box, etc.) (City) (State) (Zip)

- |   |   |
|---|---|
| <input type="checkbox"/> Broker (License No. _____)   | Mail to: <b>NC REAL ESTATE COMMISSION</b>     |
| <input type="checkbox"/> Salesman (License No. _____) | Attention: Audits and Investigations Division |
| <input type="checkbox"/> Bookkeeper                   | P. O. Box 17100                               |
|   | Raleigh, NC 27619-7100                        |

Enclose \$35 tuition fee

\* No class in Raleigh in March due to Trust Account Caravan.

## EXAM RESULTS

	Passed	Failed
June		
Brokers	173	102
Salesmen	431	330
July		
Brokers	71	52
Salesmen	289	266
August		
Brokers	84	85
Salesmen	418	291



# Communicating with the Commission

## Mail

1313 Navaho Drive  
Post Office Box 17100  
Raleigh, North Carolina 27619-7100

## Fax (Area Code 919)

Admin . . . . . 877-4217 Ed. & Lic. . . . . 877-4216  
Audits/Inves. . . 877-4218 Legal Services . 877-4220  
Records . . . . . 877-4221

## Telephone

919/875-3700

You will receive more prompt service if you use this directory when calling the Commission. If the automated telephone attendant answers your call, you may access the section or division shown in the "Access Code" column by dialing on your touchtone phone the number shown parenthetically ( ).

Subject	Access Codes
• Application form requests . . . . .	Receptionist (0)
• Real estate license renewals and record changes . . . . .	Records Section (1)
• Complaints and legal matters (Consumer complaints/inquiries, pending cases/hearings) . . . . .	Legal Services Division (2)
• Education matters . . . . .	Education Section (3)
• Real estate license qualifications and examinations . . . . .	Application Section (4)
• Real estate firm licensing and licensing by reinstatement or reciprocity . . . . .	Licensing Section (5)
• Complaint investigations and audits . . . . .	Audits and Investigations Division (6)
• Administration, personnel matters and accounting . . . . .	Administration Division (7)
• Other matters . . . . .	Receptionist (0)

## Interactive Voice Response

To retrieve licensee data (license status, CE credits, broker-in-charge information, etc.) from the Interactive Voice Response (IVR) system, use a touchtone phone to dial (919) 850-2753.

## Internet

"Visit" the Commission on-line at **Web Site:** [www.ncrec.state.nc.us](http://www.ncrec.state.nc.us) - your easy access to Commission information. The Internet brings to your computer screen licensing information including the License Law, Commission Rules, Trust Account Guidelines, State Fair Housing Act, general information and guides, sample forms and real estate licensing forms. Also, exam schedules and review dates as well as Commission publications including the *Bulletin* (and index of *Bulletin* articles), *CE Schedule*, Commission brochure and the complete *Question and Answer Series*.

## E-Mail

• Executive . . . . . [exec@ncrec.state.nc.us](mailto:exec@ncrec.state.nc.us)  
• Administration . . . . . [admin@ncrec.state.nc.us](mailto:admin@ncrec.state.nc.us)  
• Education & Licensing . . . . . [educ@ncrec.state.nc.us](mailto:educ@ncrec.state.nc.us)  
• Audits & Investigations . . . . . [ai@ncrec.state.nc.us](mailto:ai@ncrec.state.nc.us)  
• Legal Services . . . . . [legal@ncrec.state.nc.us](mailto:legal@ncrec.state.nc.us)  
• Records . . . . . [records@ncrec.state.nc.us](mailto:records@ncrec.state.nc.us)

## Fax-on-Demand

The following documents are available from the various Commission Divisions/Sections by dialing on your touchtone phone (919) 850-2757.

Document #	Administration/Records
200	Request to Activate Broker or Salesman License, Notification of Salesman Supervision, Notification of Change of Broker's Business Address
210	Broker-in-Charge Declaration
220	Request for Reissuance of Real Estate License Certificate and/or Renewal Pocket Card
Education/Licensing	
300	Continuing Education Course Schedule
310	Publications Order Form
320	License Examination Schedule and License Examination Review Schedule
330	Basic Trust Account Procedures Course Schedule and Registration Form
340	Order Form for License Examination Candidate Roster/Order Form for Register of New Licensees
350	Verification of Salesman Experience
360	Request for Equivalent Education Credit
Legal Services	
400	Complaint Form
410	Criminal Conviction Reporting Form
420	Residential Property Disclosure Statement
430	Disclosure to Buyer From Seller's Agent or Subagent
Other	
500	1998 Commission Meeting Schedule
510	Request for Program Presenter

Here's a handy list of addresses for you to copy, clip and save for your ready-reference when communicating with the Commission.

**Mail**

1313 Navaho Drive  
Post Office Box 17100  
Raleigh, NC 27619-7100

**Fax**  
(Area Code 919)

Admin . . . . . 877-4217  
Audits/Inves. . . 877-4218  
Ed. & Lic. . . . 877-4216  
Legal Ser. . . . 877-4220  
Records . . . . . 877-4221

**Phone**  
919/875-3700

**Fax-on-Demand**  
919/850-2757

**Interactive Voice Response**  
(919) 850-2753

**Web Site**  
[www.ncrec.state.nc.us](http://www.ncrec.state.nc.us)

**E-Mail**

Exec. . . . . [exec@ncrec.state.nc.us](mailto:exec@ncrec.state.nc.us)  
Admin. . . . . [admin@ncrec.state.nc.us](mailto:admin@ncrec.state.nc.us)  
Ed. & Lic. . . . . [educ@ncrec.state.nc.us](mailto:educ@ncrec.state.nc.us)  
Audits & Inv. . . . [ai@ncrec.state.nc.us](mailto:ai@ncrec.state.nc.us)  
Legal Ser. . . . . [legal@ncrec.state.nc.us](mailto:legal@ncrec.state.nc.us)  
Records . . . . . [records@ncrec.state.nc.us](mailto:records@ncrec.state.nc.us)

## Commission forms Vacation Rental Advisory Committee

The Real Estate Commission has formed a committee to study issues related to vacation rental management in North Carolina.

The *ad hoc* committee will examine especially the Real Estate License Law, Real Estate Commission rules and other state laws to see how they apply to vacation rental management, and then will recommend to the Commission any changes which may be needed to address the special concerns of vacation rental consumers and managers.

Serving on the committee are real estate licensees J. Alan Holden (Supply), Kim Johnson (Blowing Rock), Timothy Midgett (Hatteras) and "Buddy" Rudd, Jr. (Southport). Also serving are David Kirkman from the Consumer Protection Section of the North Carolina Attorney General's Office and Bill Rowe from North Carolina Justice & Community Development Center.

The Vacation Rental Advisory Committee is scheduled to submit its report to the Commission in 1999. □

## For your information...

You are reminded that the Real Estate Commission's meetings are open to the public. Real estate licensees and consumers are always welcome.

Although advance notice is not required in order for you to attend, you are encouraged, when possible, to please notify the Commission of your plans to attend a scheduled meeting at least ten business days prior to the meeting, in order to ensure adequate parking and seating arrangements. Please mail your notice to the North Carolina Real Estate Commission, P. O. Box 17100, Raleigh, NC 27619-7100, or call the Commission office (919) 875-3700.

For your convenience, the following calendar lists the meeting dates for the next six months. ■

## Announcing... Commission plans "spot" inspections

**The Commission has directed its Audits and Investigations Division to conduct random inspections of real estate offices.**

Starting immediately, the Commission's Compliance Officer, Evelyn Johnston, will be making unannounced visits to real estate offices around the state.

Mrs. Johnston explains that these visits will be in addition to her routine trust account inspections and reviews, also unannounced, which are made to determine compliance with the Real Estate License Law and Commission rules. The routine inspections are often follow-ups to

earlier visits by Commission Auditor/Investigators.

In the "spot" inspections, Mrs. Johnston will be checking records, books, journals, reports and real estate licenses.

The Commission reminds brokers-in-charge and other licensees of the importance of proper record-keeping and bookkeeping procedures, and of the requirement that these records be made available to the Commission and its representatives upon request. □

## Commission Staff Update

*(continued from page 3)*

REALTORS®...Assistant Director of Legal Services Miriam J. Baer talked about issues of special interest and concern to the Real Estate Commission, when she addressed the Wilmington Regional Association of REALTORS®...Chief Deputy Legal Counsel Blackwell M. Brogden, Jr., spoke to the Avery-Watauga Board of REALTORS® on problem areas of real estate practice...and Auditor/Investigator

Stephen L. Fussell was in High Point to talk about calculating the square footage of residential buildings as well as issues related to agency agreements and disclosure.

*(Individuals and groups requesting a speaker from the Real Estate Commission are reminded that a "Request for Program Presenter" form is available from the Commission Office or by calling (919) 850-2757 for Document No. 510.)* ■

### Commission Calendar Meeting Dates

November 18

December 9

January 5, 1999

February 10

March 10

April 14

Meetings begin at 9 a.m. and are held in the conference room of the Real Estate Commission office, 1313 Navaho Drive, Raleigh, NC 27609, unless otherwise noted. [Please understand that circumstances sometimes necessitate changes in meeting dates and times.]

# 1999 Trust Account Caravan "ready to roll"

Attention brokers-in-charge and trust account bookkeepers! Do you know what trust account records the Real Estate Commission requires you to maintain and the bookkeeping procedures you must follow? Are you familiar with the Commission's rules concerning the handling and accounting of trust funds? If not, or if you just want to "brush up" on your trust account practices, be sure to take advantage of the 1999 Trust Account Caravan.

Held annually in the spring, the Caravan takes the Commission's Basic Trust Account Procedures and Trust Account Procedures for Resort Property Managers courses to cities throughout North Carolina. The 1999 Caravan will stop in five cities: Boone, Charlotte, Greensboro, Kill Devil Hills and Wilmington.

Both courses, taught by members of the Commission's Audits and Investigations staff, provide instruction in the preparation of trust account ledgers, journals and related records for the proper maintenance and accounting for the funds of others.

## 1998 Caravan completes tour

This year, the Commission's Audits and Investigations Division once again took the Commission's trust account courses on the road and completed another successful trek. Boasting a total of 175 course attendees, the 1998 Caravan made stops in Charlotte, Greensboro, Greenville, Nags Head, Southern Pines and Wilmington.

The Commission instituted the Caravan as a means of providing its courses to people who cannot get to Raleigh for any of the regular sessions, which are held monthly. [To register for one of the monthly courses, please complete the registration form on page 3.] ☐

If you are involved in resort property management, the Trust Account Procedures for Resort Property Managers course is for you. In addition to the record-keeping and bookkeeping requirements covered in the Basic Trust Account Procedures course, this course covers

matters such as sales taxes and distribution of advance rents that are specific to resort property management. It's offered only during the Spring Caravan, so don't miss it.

Please see the Registration Form below for dates and locations. Class size is limited; register early. ☐

## 1999 Trust Account Caravan Registration Form

**Four (4) hours continuing education elective credit will be awarded for completion of each course.** Courses are intended for brokers and trust account bookkeepers. Salesmen will be admitted on a space available basis.

### Boone - Comfort Suites

1184 Hwy. 105

- ☐ Basic Trust Account Procedures Course  
March 16, 1999 9:00 am - 1:00 pm
- ☐ Trust Account Procedures for Resort Property Managers  
March 17, 1999 9:00 am - 1:00 pm

### Charlotte - Charlotte Hilton Executive Park

5624 Westpark Drive

- ☐ Basic Trust Account Procedures Course  
March 19, 1999 9:00 am - 1:00 pm

### Greensboro - Greensboro Regional REALTORS® Association

23 Oak Branch Drive

- ☐ Basic Trust Account Procedures Course  
March 18, 1999 9:00 am - 1:00 pm

### Kill Devil Hills - Ramada Inn at Nags Head Beach

1701 South Virginia Dare Trail

- ☐ Basic Trust Account Procedures Course  
March 2, 1999 8:30 am - 12:30 pm
- ☐ Trust Account Procedures for Resort Property Managers  
March 3, 1999 8:30 am - 12:30 pm

### Wilmington - Coast Line Convention Center

501 Nutt Street

- ☐ Basic Trust Account Procedures Course  
March 29, 1999 1:00 pm - 5:00 pm
- ☐ Trust Account Procedures for Resort Property Managers  
March 30, 1999 9:00 am - 1:00 pm

Complete this form (*make copies for additional persons*) and mail with a check for \$35 tuition fee to be received by the Commission no later than 10 working days prior to date of preferred session. Each session is limited to 40 participants, scheduled according to date received. **Walk-ins will be accepted on a space available basis only.**

Name \_\_\_\_\_ Phone \_\_\_\_\_ (Daytime)

Address \_\_\_\_\_ (Street, P.O. Box, etc.) (City) (State) (Zip)

- ☐ Broker (License No. \_\_\_\_\_) Mail to: **NC REAL ESTATE COMMISSION**  
Attention: Audits and Investigations Division  
P. O. Box 17100  
Raleigh, NC 27619-7100
- ☐ Salesman (License No. \_\_\_\_\_)
- ☐ Bookkeeper

Enclose \$35 tuition fee



**NORTH CAROLINA REAL ESTATE COMMISSION  
RECORDS INSPECTION REPORT**

\_\_\_\_\_  
Auditor/Investigator

\_\_\_\_\_  
Date(s) of Office Visit(s)

\_\_\_\_\_  
Case #

Business Name: \_\_\_\_\_

\_\_\_\_\_  
License #

Trade Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Business Entity:    ☐ Sole Proprietorship            ☐ Corporation            ☐ General Partnership  
                         ☐ Limited Liability Partnership    ☐ Limited Liability Company    ☐ Other \_\_\_\_\_

Equity Owners:	<u>Name</u>	<u>Type</u>	<u>Ownership</u>
	_____	<input type="checkbox"/> Owner <input type="checkbox"/> Partner <input type="checkbox"/> Shareholder <input type="checkbox"/> Member	_____ %
	_____	<input type="checkbox"/> Owner <input type="checkbox"/> Partner <input type="checkbox"/> Shareholder <input type="checkbox"/> Member	_____ %
	_____	<input type="checkbox"/> Owner <input type="checkbox"/> Partner <input type="checkbox"/> Shareholder <input type="checkbox"/> Member	_____ %
	_____	<input type="checkbox"/> Owner <input type="checkbox"/> Partner <input type="checkbox"/> Shareholder <input type="checkbox"/> Member	_____ %

Equity Managers:	<u>Name</u>	<u>Title</u>
	_____	_____
	_____	_____
	_____	_____

Brokers-in-Charge:	<u>Name</u>	<u>Office</u>	<u>License #</u>	<u>Dates</u>
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____



## TRUST/ESCROW BANK ACCOUNT

Name of Bank: \_\_\_\_\_ Nature of Funds: \_\_\_\_\_  
 Account #: \_\_\_\_\_ Signature(s) \_\_\_\_\_  
 Type of Account: \_\_\_\_\_ on Account: \_\_\_\_\_

### *Rule A.0107(b) [Interest-Bearing Trust/Escrow Accounts]*

	Yes	No	Comm'n Use
Is the bank account interest-bearing? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If "yes," is there written authorization for deposit? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the written authorization conspicuous? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it state how/to whom interest will be disbursed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### *Rule A.0107(d) [Trust/Escrow Account Designation on Bank Accounts]*

Designation on bank accounts:

Deposit Slips: _____	.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Checks: _____	.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank Statements: _____	.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### *G.S. Section 93A-6(12) [Insuring Trust/Escrow Account Deposits]*

Is the account in an insured bank or savings & loan? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the account located in North Carolina? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### *Rule A.0107(e)(3) [Deposit Tickets]*

Do deposit tickets (slips) or supplemental worksheets:

Identify the property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identify the parties to the transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### *Rule A.0107(e)(2) [Cancelled Checks]*

Do cancelled checks reference the corresponding transaction or owner ledger sheet? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------

### *Rule A.0108 [Retention of Records]*

Are bank records retained for three years? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	--------------------------	--------------------------



# RENTAL MANAGEMENT

Firm Name: \_\_\_\_\_

Case # \_\_\_\_\_

Bookkeeper: \_\_\_\_\_

Computer Software Used: \_\_\_\_\_

# Rental Units Managed: Short-Term (Resort) \_\_\_\_\_

# Owners: \_\_\_\_\_

Long-Term (Monthly) \_\_\_\_\_

Management Fee %: \_\_\_\_\_

**Rule A.0107(e) [Ledger Sheets, Journal/Check Stubs, Audit Trail]**

	Yes	No	Comm'n Use
Is a separate ledger sheet maintained for:			
Each owner of property managed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Each property managed? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Each tenant (tenant accounts receivable)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal funds? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are ledger sheets on security deposits maintained:			
By owner? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
By tenant? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
By property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the ledger sheet identify the:			
Property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parties to the transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount, date? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purpose of deposits and from whom received? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check number? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purpose of disbursements and to whom paid? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Running balance of funds on deposit? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a journal or check stubs maintained? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it identify each transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it show a running balance of funds in the account? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear audit trail from deposit slips to journals to ledgers? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear audit trail from cancelled checks to journals to ledgers? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are bank statements reconciled to the journal or check stubs monthly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a worksheet prepared monthly, reconciling the ledgers to the bank statements? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0108 [Retention of Records]**

Are the following records maintained for 3 years:			
Property Management Agreements? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Written Leases? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Journals, ledgers, etc? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Owner Statements? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0109 [Brokerage Fees and Compensation]**

Do any agents receive (either directly or indirectly) any commission, rebate or other valuable consideration from a vendor? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there written disclosure? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**G.S. Section 93 A-6(a)(12)**

Is there any evidence of:			
Shortages? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overages? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NSF escrow checks? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any trust funds deposited into the managing entity's trust account on properties owned by the managing entity? .....			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For short-term rentals:			
Are sales taxes paid to the appropriate tax authorities on a timely basis? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are advance rental deposits which are collected from tenants disbursed to the:			
Owners prior to tenancy? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Managing entity prior to tenancy? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there disclosure to the tenants and owners of the disbursement of advance rental deposits to the managing entity? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there disclosure to the tenants of the disbursement of advance rental deposits to the owners? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Firm Name: \_\_\_\_\_

Case # \_\_\_\_\_

Bookkeeper: \_\_\_\_\_

Computer Software Used: \_\_\_\_\_

**Rule A.0104(a), (b) and (c) [Listing/Buyer Agency Agreements]**

Comm'n

Regarding listing agreements, buyer agency agreements, etc.:	Yes	No	Use
Are they in writing? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do they provide for their existence for a definite period of time? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do they provide for their termination without prior notice at the expiration of that period? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do they contain a provision for anti-discrimination? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the provision clear & conspicuous? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do they incorporate the "Description of Agency Duties and Relationships"? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0107(e) [Ledger Sheets, Journal/Check Stubs, Audit Trail]**

Is a separate ledger sheet maintained for each sales transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the ledger sheet identify the:			
Property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parties to the transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amount, date? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purpose of deposits and from whom received? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Check number? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purpose of disbursements and to whom paid? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Running balance of funds on deposit? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a journal or check stubs maintained? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it identify each transaction? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does it show a running balance of funds in the account? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear audit trail from deposit slips to journals to ledgers? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear audit trail from cancelled checks to journals to ledgers? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are bank statements reconciled to the journal or check stubs monthly? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is a worksheet prepared monthly, reconciling the ledgers to the bank statements? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0107(h) [Disbursing Earnest Money]**

Are any earnest monies disbursed prior to closing without the written consent of the parties? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**Rule A.0108 [Retention of Records]**

Are the following records maintained for 3 years:			
Agency contracts (listing agreements, etc.)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales contracts? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Journals, ledgers, etc? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closing Statements? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0109 [Brokerage Fees and Compensation]**

Do any agents receive (either directly or indirectly) any commission, rebate or other valuable consideration from a vendor? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there written disclosure? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**G.S. Section 93 A-6(a)(12)**

Is there any evidence of:			
Shortages? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overages? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NSF escrow checks? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are any earnest monies deposited on properties owned by the managing entity? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Rule A.0114(a) [Residential Property Disclosure Statements]**

Are Residential Property Disclosure Statements included in sales files? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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# STATE OF NORTH CAROLINA RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

## Instructions to Property Owners

1. North Carolina General Statute 47E requires owners of residential real estate (single-family homes and buildings with up to four dwelling units) to furnish purchasers a property disclosure statement. This form is the only one approved for this purpose. A disclosure statement must be furnished in connection with the sale, exchange, option and sale under a lease with option to purchase (unless the tenant is already occupying or intends to occupy the dwelling). A disclosure statement is not required for some transactions, including the first sale of a dwelling which has never been inhabited and transactions of residential property made pursuant to a lease with option to purchase where the lessee occupies or intends to occupy the dwelling. For a complete list of exemptions, see N.C.G.S. 47E-2.
2. You must check ☐ one of the boxes for each of the 20 questions on the reverse side of this form.
  - a. If you check "Yes" for any question, you must describe the problem or attach a report from an engineer, contractor, pest control operator or other expert or public agency describing it. If you attach a report, you will not be liable for any inaccurate or incomplete information contained in it so long as you were not grossly negligent in obtaining or transmitting the information.
  - b. If you check "No", you are stating that you have no actual knowledge of any problem. If you check "No" and you know there is a problem, you may be liable for making an intentional misstatement.
  - c. If you check "No Representation", you have no duty to disclose the conditions or characteristics of the property, even if you should have known of them.
- \* If you check "Yes" or "No" and something happens to the property to make your Statement incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the purchaser a corrected Statement or correct the problem.
3. If you are assisted in the sale of your property by a licensed real estate broker or salesman, you are still responsible for completing and delivering the Statement to the purchasers; and the broker or salesman must disclose any material facts about your property which they know or reasonably should know, regardless of your responses on the Statement.
4. You must give the completed Statement to the purchaser no later than the time the purchaser makes an offer to purchase your property. If you do not, the purchaser can, under certain conditions, cancel any resulting contract (See "Note to Purchasers" below). You should give the purchaser a copy of the Statement containing your signature and keep a copy signed by the purchaser for your records.

### Note to Purchasers

If the owner does not give you a Residential Property Disclosure Statement by the time you make your offer to purchase the property, you may under certain conditions cancel any resulting contract and be entitled to a refund of any deposit monies you may have paid. To cancel the contract, you must personally deliver or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of the Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after settlement of the transaction or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

5. In the space below, type or print in ink the address of the property (sufficient to identify it) and your name. Then sign and date.

Property Address: \_\_\_\_\_

Owner's Name(s): \_\_\_\_\_

*Owner(s) acknowledge having examined this Statement before signing and that all information is true and correct as of the date signed.*

Owner Signature: \_\_\_\_\_ Date \_\_\_\_\_

Owner Signature: \_\_\_\_\_ Date \_\_\_\_\_

*Purchaser(s) acknowledge receipt of a copy of this disclosure statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; that it is not a substitute for any inspections they may wish to obtain; and that the representations are made by the owner and not the owner's agent(s) or subagent(s). Purchaser(s) are encouraged to obtain their own inspection from a licensed home inspector or other professional.*

Purchaser Signature: \_\_\_\_\_ Date \_\_\_\_\_

Purchaser Signature: \_\_\_\_\_ Date \_\_\_\_\_

[Note: In this form, "property" refers only to dwelling unit(s) and not sheds, detached garages or other buildings.]

Regarding the property identified above, do you know of any problem (malfunction or defect) with any of the following:

	Yes*	No	No Representation
1. FOUNDATION, SLAB, FIREPLACES/CHIMNEYS, FLOORS, WINDOWS (INCLUDING STORM WINDOWS AND SCREENS), DOORS, CEILINGS, INTERIOR AND EXTERIOR WALLS, ATTACHED GARAGE, PATIO, DECK OR OTHER STRUCTURAL COMPONENTS including any modifications to them? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Siding is <input type="checkbox"/> Masonry <input type="checkbox"/> Wood <input type="checkbox"/> Composition/Hardboard <input type="checkbox"/> Vinyl <input type="checkbox"/> Synthetic Stucco <input type="checkbox"/> Other .....			<input type="checkbox"/>
b. Approximate age of structure? .....			<input type="checkbox"/>
2. ROOF (leakage or other problem)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Approximate age of roof covering? .....			<input type="checkbox"/>
3. WATER SEEPAGE, LEAKAGE, DAMPNESS OR STANDING WATER in the basement, crawl space or slab? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ELECTRICAL SYSTEM (outlets, wiring, panel, switches, fixtures, etc.)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. PLUMBING SYSTEM (pipes, fixtures, water heater, etc.)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. HEATING AND/OR AIR CONDITIONING? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Heat Source is: <input type="checkbox"/> Furnace <input type="checkbox"/> Heat Pump <input type="checkbox"/> Baseboard <input type="checkbox"/> Other .....			<input type="checkbox"/>
b. Cooling Source is: <input type="checkbox"/> Central Forced Air <input type="checkbox"/> Wall/Window Unit(s) <input type="checkbox"/> Other .....			<input type="checkbox"/>
c. Fuel Source is: <input type="checkbox"/> Electricity <input type="checkbox"/> Natural Gas <input type="checkbox"/> Propane <input type="checkbox"/> Oil <input type="checkbox"/> Other .....			<input type="checkbox"/>
7. WATER SUPPLY (including water quality, quantity and water pressure)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Water supply is: <input type="checkbox"/> City/County <input type="checkbox"/> Community System <input type="checkbox"/> Private Well <input type="checkbox"/> Other .....			<input type="checkbox"/>
b. Water pipes are: <input type="checkbox"/> Copper <input type="checkbox"/> Galvanized <input type="checkbox"/> Plastic <input type="checkbox"/> Other <input type="checkbox"/> Unknown .....			<input type="checkbox"/>
8. SEWER AND/OR SEPTIC SYSTEM? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a. Sewage disposal system is: <input type="checkbox"/> Septic Tank <input type="checkbox"/> Septic Tank with Pump <input type="checkbox"/> Community System <input type="checkbox"/> Connected to City/County System <input type="checkbox"/> City/County System available <input type="checkbox"/> Other .....			<input type="checkbox"/>
9. BUILT-IN APPLIANCES (RANGE/OVEN, ATTACHED MICROWAVE, HOOD/FAN, DISHWASHER, DISPOSAL, etc)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. OTHER SYSTEMS AND FIXTURES: CENTRAL VACUUM, POOL, HOT TUB, SPA, ATTIC FAN, EXHAUST FAN, CEILING FAN, SUMP PUMP, IRRIGATION SYSTEM, TV CABLE WIRING OR SATELLITE DISH, OR OTHER SYSTEMS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. DRAINAGE, GRADING OR SOIL STABILITY OF LOT? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. PRESENT INFESTATION, OR DAMAGE FROM PAST INFESTATION OF WOOD DESTROYING INSECTS OR ORGANISMS which has not been repaired? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Also regarding the property identified above, do you know of any:

13. ROOM ADDITIONS OR OTHER STRUCTURAL CHANGES ? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. ENVIRONMENTAL HAZARDS (substances, materials or products) including asbestos, formaldehyde, radon gas, methane gas, lead-based paint, underground storage tank, or other hazardous or toxic material (whether buried or covered), contaminated soil or water, or other environmental contamination? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. COMMERCIAL OR INDUSTRIAL NUISANCES (noise, odor, smoke, etc.) affecting the property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. VIOLATIONS OF BUILDING CODES, ZONING ORDINANCES, RESTRICTIVE COVENANTS OR OTHER LAND-USE RESTRICTIONS ? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. UTILITY OR OTHER EASEMENTS, SHARED DRIVEWAYS, PARTY WALLS OR ENCROACHMENTS FROM OR ON ADJACENT PROPERTY? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. LAWSUITS, FORECLOSURES, BANKRUPTCY, TENANCIES, JUDGMENTS, TAX LIENS, PROPOSED ASSESSMENTS, MECHANICS LIENS, MATERIALMEN'S LIENS OR NOTICE FROM ANY GOVERNMENTAL AGENCY that could affect title to the property? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. OWNERS' ASSOCIATION OR "COMMON AREA" EXPENSES OR ASSESSMENTS? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. FLOOD HAZARD or that the property is in a FEDERALLY-DESIGNATED FLOOD PLAIN? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you answered "Yes" to any of the above questions, please explain (Attach additional sheets, if necessary): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



## Statutory amendment impacts sexual offender disclosure

To comply with federal law, the N.C. General Assembly in 1997 amended the state's "Sexual Offender Registration Program." It determined as a matter of public policy that sex offenders and persons who commit certain other types of offenses against minors (e.g. kidnapping) often pose a significant risk of committing the same or similar offenses even after being released from incarceration. To protect the public from such offenders, the law requires them to register with law enforcement agencies.

Information is recorded in county registries maintained by sheriffs and in a statewide *North Carolina Sex Offender & Public Protection Registry* published via a state-maintained Internet site (<http://sbi.jus.state.nc.us/sor>). Registration will be maintained for 10 years following the offender's release from prison, and this information is available to the public.

Is the presence of a registered sex offender in a neighborhood a material fact which licensees must disclose?

The N.C. General Assembly recently enacted legislation which provides that when offering property for sale, rent or lease,

it shall not be deemed a material fact ... that a person convicted of any crime for which registration is required [under the Sex Offender Registration Program] occupies, occupied, or resides near the property; provided, however, that no seller [or landlord] may knowingly make a false statement regarding any such fact.

Under the legislation, which becomes effective December 1, 1998, the presence of a sexual offender in a neighborhood is **not material, and need not be volunteered** by any agent involved in a sales or rental transaction.

However, licensees are cautioned not to make any false statements about the presence of a convicted sex offender in a neighborhood. Misrepresentations are specifically prohibited under the legislation. ■

## Disciplinary action



*Penalties for violations of the Real Estate License Law and Commission Rules vary depending upon the particular facts and circumstances present in each case. Due to space limitations in the Bulletin, a complete description of such facts cannot be reported in the following Disciplinary Action summaries.*

KAYE A. ANDERSON (Tryon) - By Consent, the Commission reprimanded Ms. Anderson effective May 29, 1998, and ordered that the completion of the two continuing education courses taken by Ms. Anderson during April 1998 be in addition to those required for the renewal of her broker license on active status. The Commission found that Ms. Anderson, in a transaction conducted in South Carolina under her South Carolina real estate license, had been disciplined by the South Carolina Real Estate Commission for failure to use the proper agency disclosure forms when acting as a dual agent. The Commission noted that Ms. Anderson, in the resolution of this matter, had taken two additional continuing education courses on agency and disclosure topics.

DAVID O. HEFFNER (Raleigh) - By Consent, the Commission suspended Mr. Heffner's broker license for one year effective September 1, 1998. The Commission then stayed the suspension for a probationary term of two years. The Commission found that in December 1992, Mr. Heffner had pled guilty to the taking of plants and building materials from construction sites. The Commission noted that Mr. Heffner was suffering from a disorder which has since been successfully treated.

NANCY L. HENLINE (Hickory) - By Consent, the Commission revoked Ms. Henline's broker license effective May 1, 1998. Having satisfied certain conditions imposed by the Commission, Ms. Henline was granted a real

estate salesman license on July 29, 1998; however, she remains ineligible to apply for or obtain the reinstatement of her broker license until May 1, 2000. The Commission found that Ms. Henline, as broker-in-charge and principal broker of a property management firm, had failed to maintain client monies in a trust account, had failed to promptly account for and disburse client monies coming into her control, and had failed to keep proper records of trust monies. The Commission further found that Ms. Henline had failed to properly supervise a licensed real estate agent in her employ.

HENLINE PROPERTIES, INC. (Hickory) - By Consent, the Commission suspended Henline Properties, Inc.'s broker license effective April 11, 1998. The Commission then stayed the suspension for a probationary term of three years upon certain conditions. The Commission found that Henline Properties, Inc. had failed to maintain client monies in a trust account, had failed to promptly account for and disburse client monies coming into its control, and had failed to keep proper records of trust monies.

CHRISTOPHER R. HINES (Charlotte) - The Commission accepted the voluntary surrender of Mr. Hines' salesman license for five years effective June 1, 1998. The Commission dismissed without prejudice charges that Mr. Hines had violated the North Carolina Real Estate License Law and Commission Rules in 1995. Mr. Hines neither admitted nor denied any misconduct.

EUGENE P. HOLZ (Atlantic Beach) - By Consent, the Commission suspended Mr. Holz' broker license for two years effective July 1, 1998, because Mr. Holz failed to satisfy the terms and conditions for the stayed suspension earlier reported in the *Bulletin*.

(continued on page 14)

# Disciplinary action

(continued from page 13)



**LINDA C. JACOBS (Cary)** - By Consent, the Commission reprimanded Ms. Jacobs effective June 1, 1998. The Commission found that during 1995, Ms. Jacobs had misrepresented the square footage of a house when she advertised the house in the Multiple Listing Service. The Commission further found that after Ms. Jacobs was informed by an appraiser that the house was smaller than advertised, Ms. Jacobs had failed to disclose her error to the purchasers because she was under the mistaken impression that the purchasers and their agent had been informed of the discrepancy by the appraiser. The Commission noted that Ms. Jacobs and her firm have offered to compensate the purchasers for the error. Ms. Jacobs neither admitted nor denied any misconduct.

**CAROLYN M. JOHNSON (Wilmington)** - By Consent, the Commission revoked Ms. Johnson's broker license effective August 12, 1998. The Commission found that Ms. Johnson had failed to fulfill certain of her responsibilities as broker-in-charge in that her liability for the funds of others exceeded the funds in her trust account by at least \$3,000. Ms. Johnson failed to produce trust account records when requested to do so by Commission investigators.

**C. WAYNE KINSER (Asheville)** - The Commission accepted the voluntary surrender of Mr. Kinser's broker license for three years effective May 1, 1998. The Commission dismissed without prejudice charges that Mr. Kinser had violated the Real Estate License Law and the rules of the Commission in the conduct of a real estate brokerage and time share sales business.

**J. VAUGHN KLUTTS, JR. (Charlotte)** - By Consent, the Commission suspended Mr. Klutts' broker license for one year effective November 1, 1998. Sixty days of the suspension

are to be active and the remaining period stayed for a probationary term of one year upon certain conditions. The Commission found that in mid-1993, while acting as listing agent in the sale of a residential property, Mr. Klutts had neglected to disclose to the buyer that the seller had built a garage on the property over a sewer easement owned by the city.

**JOHN KOENIG (Fayetteville)** - By Consent, the Commission suspended Mr. Koenig's broker license for one year effective June 1, 1998. The Commission then stayed the suspension for a probationary term of one year. The Commission found that Mr. Koenig had failed to properly supervise a bookkeeper in his employ at the real estate firm where, as owner/principal broker, Mr. Koenig had undertaken to perform certain of the duties of broker-in-charge. The Commission also found that between 1995 and 1997, the bookkeeper had converted cash property management receipts in excess of \$300,000 which should have been deposited into Mr. Koenig's trust accounts, causing the trust accounts to be short. The Commission further found that Mr. Koenig had not assured that prompt monthly reconciliations of the trust accounts were performed; therefore, he failed to promptly discover the bookkeeper's conversion of trust monies. The Commission noted that Mr. Koenig has restored the embezzled funds to the trust accounts.

**JOHN KOENIG, INC. (Fayetteville)** - By Consent, the Commission suspended John Koenig, Inc.'s broker license for three years effective June 1, 1998. The Commission then stayed the suspension for a probationary term of three years if the firm meets certain conditions. The Commission found that John Koenig, Inc. had failed to properly supervise a bookkeeper in its employ. The Commission also found that between 1995

and 1997, the bookkeeper had converted cash property management receipts in excess of \$300,000 which should have been deposited into the firm's trust accounts, causing the trust accounts to be short. The Commission further found that John Koenig, Inc. had failed to perform prompt monthly reconciliations of the trust accounts; therefore, the bookkeeper's conversion of trust monies was not promptly discovered. The Commission noted that the embezzled funds have been restored to the trust accounts.

**HELENE KUGELMANN (Fayetteville)** - By Consent, the Commission revoked Ms. Kugelmann's broker license effective June 1, 1998. Ms. Kugelmann shall be issued a real estate salesman license on December 1, 1998, if she satisfies certain conditions imposed by the Commission. The Commission found that Ms. Kugelmann had failed to properly supervise a bookkeeper in a real estate firm's property management division where Ms. Kugelmann acted as broker-in-charge. The Commission also found that the bookkeeper had converted property management receipts which should have been deposited into the firm's trust accounts, causing the trust accounts to be short. The Commission further found that Ms. Kugelmann had failed to perform prompt monthly reconciliations of the trust accounts; therefore, she failed to promptly discover the bookkeeper's conversion of trust monies. The Commission noted that the embezzled funds have been restored to the trust accounts.

**LINDA G. NEIMAN (Fayetteville)** - By Consent, the Commission revoked Ms. Neiman's broker license effective June 1, 1998. Ms. Neiman shall be issued a real estate salesman license if she satisfies certain conditions imposed by the Commission. Ms. Neiman's broker



# Disciplinary action

(continued from page 14)

license shall be reinstated on March 1, 1999, if she satisfies certain other conditions imposed by the Commission. The Commission found that after becoming broker-in-charge of a real estate firm's property management division, Ms. Neiman had failed to properly supervise a bookkeeper. The Commission also found that the bookkeeper had converted property management receipts which should have been deposited into the firm's trust accounts, causing the trust accounts to be short. The Commission further found that Ms. Neiman had failed to perform prompt monthly reconciliations of the trust accounts; therefore, she failed to promptly discover the bookkeeper's conversion of trust monies. The Commission noted that the embezzled funds have been restored to the trust accounts.

**PEPPERTREE RESORTS, LTD.** (Asheville) - By Consent, the Commission suspended Peppertree Resorts, Ltd.'s broker license effective May 1, 1998. The Commission then stayed the suspension for a probationary term of two years upon certain conditions. The Commission found that Peppertree Resorts, Ltd. had offered a time share program for sale at various locations at a time when the developer had not filed the program as an amendment to existing registrations. The Commission further found that Peppertree Resorts, Ltd. had sold the program by form contracts that failed to meet the requirements of the Time Share Act and Commission Rules. The Commission noted that Peppertree Resorts, Ltd. undertook a voluntary rescission program to mitigate the situation and that the corporation brought its documents and filings into compliance with the Time Share Act.

**WILLIAM L. PETERSON, JR.** (Charlotte) - By Consent, the Commission suspended Mr. Peterson's broker license for six months effective July 23, 1998. The Commission then

stayed the suspension for a probationary term of one year if Mr. Peterson meets certain conditions. The Commission found that Mr. Peterson, while on inactive status for the last six months of 1997, had engaged in acts for which an active broker license was required. The Commission further found that Mr. Peterson had used his real estate trust account for personal transactions.

**ILONA M. QUIDLEY (Kitty Hawk)** - By Consent, the Commission suspended Ms. Quidley's salesman license for one year effective August 1, 1998. The Commission then stayed the suspension for a probationary term of one year. The Commission found that Ms. Quidley had made a false statement on her application for a real estate salesman license; i.e., Ms. Quidley had stated that she had not been convicted of any criminal offense when, in fact, she had twice been convicted of writing worthless checks. The Commission further found that Ms. Quidley was convicted of another worthless check violation after licensure. The Commission noted that Ms. Quidley later voluntarily advised the Commission of her convictions.

**DEAN A. SINGLETON (Morganton)** - The Commission revoked Mr. Singleton's salesman license effective July 1, 1998. The Commission found that Mr. Singleton had been convicted of driving a vehicle with no operators license after his license was revoked because of a Driving While Impaired conviction, and that he also had been convicted of the felony charge of Possession with Intent to Sell/Distribute Marijuana. The Commission further found that Mr. Singleton had failed to file with the Commission a written report of this particular conviction as required.

**SOUTHERN PRIDE REALTY, INC.** (Hampstead) - By Consent, the Commission revoked Southern Pride Re-

alty, Inc.'s broker license effective September 15, 1998. The Commission found that from 1994 through 1997, Southern Pride Realty, Inc. had undertaken to build houses for a number of consumer purchasers although the firm was not properly licensed as a general contractor at the time. The Commission also found that Southern Pride Realty, Inc. had collected monies from the homebuyers ostensibly to be used in the construction of the homes, but that it had failed to use the monies as promised and subsequently had failed to account for or remit the funds to the consumer purchasers. The Commission further found that Southern Pride Realty, Inc. did not construct the homes as promised and failed to produce records of the subject transactions for inspection by the Commission's representative. Southern Pride Realty, Inc. neither admitted nor denied any misconduct.

**ALTON L. SMITH, III (Raleigh)** - By Consent, the Commission suspended Mr. Smith's broker license for one year effective June 1, 1998. Two months of the suspension were active; the remaining period was stayed for a probationary term of one year after Mr. Smith met certain conditions imposed by the Commission. The Commission found that Mr. Smith had failed to properly secure and report credit for the required continuing education courses during the 1996-1997 licensing year.

**MICHAEL K. THORNBURG (Huntersville)** - By Consent, the Commission reprimanded Mr. Thornburg effective September 1, 1998. The Commission found that as broker-in-charge on or about April 1990, Mr. Thornburg had failed to ensure at all times that the firm's trust account



# Disciplinary action

(continued from page 15)

contained sufficient monies to fund the firm's trust account obligations and had failed to keep complete and proper records. Mr. Thornburg had delegated accounting and bookkeeping tasks to another associate in the firm whom he believed had requisite training and experience. The Commission noted that there was no evidence that any clients and/or customers had suffered any loss of monies.

OLIVER C. WELLS (Hampstead) - By Consent, the Commission revoked Mr. Wells' broker license effective September 15, 1998. The Commission found that from 1994 through 1997, Mr. Wells had undertaken to build houses for a number

of consumer purchasers although he was not properly licensed as a general contractor at the time. The Commission also found that Mr. Wells had collected monies from the homebuyers ostensibly to be used in the construction of the homes, but that he had failed to use the monies as promised and subsequently had failed to account for or remit the funds to the consumer purchasers. The Commission further found that Mr. Wells did not construct the homes as promised and failed to produce records of the subject transactions for inspection by the Commission's representative. Mr. Wells neither admitted nor denied any misconduct.

WILLIAMS-JOHNSON T/A CAPE FEAR COAST PROPERTIES (Wilmington) - By Consent, the Commission revoked the broker license of Williams-Johnson t/a Cape Fear Coast Properties effective August 12, 1998. The Commission found that Cape Fear Coast Properties had failed to fulfill its responsibility to safeguard and properly account for rents, deposits and other client or tenant monies in that its liability for the funds of others exceeded the funds in its trust account by at least \$3,000. Cape Fear Coast Properties failed to produce trust account records when requested to do so by Commission investigators. ■



## ANNOUNCING...

**Commission's new  
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### *On the inside...*

**Hill elected Director  
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**"Spot" Inspections**

**Records Inspection  
Form**

**Trust Account  
Caravan**

**Sex Offender  
Disclosure**

*...and more.*

## *Please note...*

Reprinted in this *Bulletin* is the new Records Inspection Report now being used by the Commission's Auditor/Investigators in checking licensee records. Brokers-in-charge are advised to use this form to perform a self-examination of their firm's records to better assure that they comply with the Commission's rules and to prepare for any future "spot inspection."

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